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AMEMBASSY FOR PAO/IO

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TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [CI](#) [BL](#)
SUBJECT: MEDIA REACTION - BOLIVIA

On May 3, conservative, influential newspaper-of-record "El Mercurio" (circ. 116,807) carried an editorial entitled, "The Costs of Bolivia's Nationalization." Quote:

"Nationalization favors Evo Morales' popularity, but creates a problem in attracting foreign investment; uncertainty in the supply of gas for Argentina, Brazil, and Chile; directly affects Bolivia's bilateral relations with Europe and the two main South American economies; directly discourages foreign investment in Latin America; and affects Peru's presidential campaign, since the Peru's ties between Bolivia and Venezuela have deteriorated due to the intervention of both presidents in Peru's internal affairs. What has happened in Bolivia has also domestic and external consequences for Chile, beyond the issue of energy. Evo Morales' radicalization proves right those who called for caution in the bilateral dialogue and discourages those who believed that the Bolivian president would be more moderate in fulfilling international commitments."

On May 3, conservative, independent "La Tercera" (circ, 102,000) carried an editorial entitled, "Bolivia and the South American Axis." Quote:

"The region is increasingly divided in two fronts with opposing visions, styles, and interests.... One of the axes, articulated by Venezuela but notoriously inspired by Cuba's experience, tactics, and strategy, has added Bolivia to its realm of influence. This is key to understanding the tone and moment at which Morales decreed the nationalization of Bolivia's gas reserves.... The other front includes Chile and Colombia and is led by Brazil, which has enormous leverage and thus the natural moderator role in the region.... Despite Brazil's influence and interests in Bolivia...it was unable to prevent La Paz from aligning with Caracas and Havana.... The events in Bolivia...are for starters a tombstone for any expectation of regional integration but above all a strong signal of the support the Bolivian president has and, therefore, of the path he is likely to take on other issues.... The Bolivian president...is clearly not part of any moderation process."

On May 3, center-left "Diario Siete" (circ. 23,000) carried an editorial entitled, "Nationalization of Gas in Bolivia." Quote:

"The decision symbolizes Bolivia's desire to regain honor and is tied to the idea of settling accounts with foreign companies.... The question is what happens now... Thus far Morales has generated sympathy and goodwill in many parts. Now doubts may surface as to what can be expected of his administration in the area of guaranteeing foreign investment.... It is too early to have a final opinion on the scope of Morales' audacious decision. We will have to wait and see what happens with the companies affected by this decision and observe Bolivia's ability to show that the decision favors its future."

KELLY